

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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The Italian Wood Pellet Market

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Approved By:

Christine Sloop

Prepared By:

Ornella Bettini

Report Highlights:

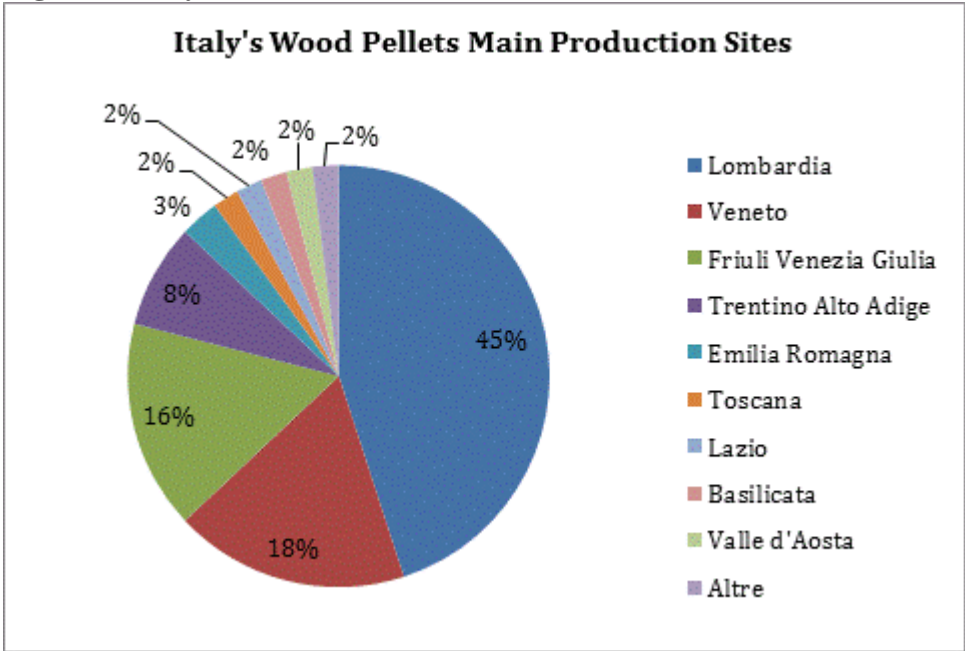
Italy is a leading EU consumer of wood pellets (3.4 million tons in 2014), with domestic consumption representing 96 percent of the total use. According to the heating market growth expectations and the Italian Renewable Energy Action Plan, Italy's use of wood pellets is forecast to reach 3.3 Million Metric Tons (MMT) in 2015 and 5.0 MMT in 2020.

General Information:
The Italian Wood Pellet Market

Italy is a leading EU consumer of wood pellets (3.4 million tons in 2014), with domestic consumption representing 96 percent of the total use. In Italy, pellets are mainly used in small-scale private residential and industrial boilers for heating. Bagged pellet represents almost the total consumption. Bulk pellet transported with silo trucks is no more than 20,000 MT (Metric Tons).

According to the heating market growth expectations and the Italian Renewable Energy Action Plan, Italy's use of wood pellets is forecast to reach 3.3 Million Metric Tons (MMT) in 2015 and 5.0 MMT in 2020. However, only 20 percent of the domestic demand is met by the domestic production (350,000 MT in 2014), with the remaining 80 percent being covered by increasing imports. Lombardia is the main production site, accounting for 45 percent of the national supply, followed by Veneto (18 percent), Friuli Venezia Giulia (16 percent), Trentino Alto Adige (8 percent), Emilia Romagna (3 percent), Toscana (2 percent), Lazio (2 percent), Basilicata (2 percent), Valle d'Aosta (2 percent), and Altre (2 percent).

Figure 1: Italy's Wood Pellets Main Production Sites



Source: AIEL (Italian Association of Wood Energy Chain) – “Development of the Italian pellet market” (Nov 2014)

Italy is a net importer of pellets, with 1.9 MMT imported in 2014 valued at \$493 million, mainly from Austria, Canada, the United States, Germany, and Bosnia & Herzegovina.

Table 2: Italy's Leading Wood Pellets Imports

Partner Country	Unit	2012		2013		2014	
		USD	Quantit	USD	Quantit	USD	Quantit

			y		y		y
World	T	281,038,560	1,193,699	454,571,953	1,755,961	493,091,578	1,935,962
Austria	T	83,314,134	313,933	110,715,366	349,491	118,303,826	395,014
Canada	T	16,258,748	81,620	41,880,883	186,001	48,493,811	229,435
United States	T	7,291,472	31,454	28,998,368	120,147	42,469,817	179,965
Germany	T	34,869,700	137,445	29,401,201	94,507	33,232,700	112,608
Bosnia & Herzegovina	T	8,328,806	40,188	23,842,735	103,823	25,893,117	112,887
Slovenia	T	16,011,307	66,891	20,101,939	77,012	25,679,610	97,199
Croatia	T	24,875,812	114,266	29,668,188	129,338	24,684,703	111,599
Poland	T	2,555,942	11,537	15,096,183	65,553	23,781,518	99,266
Lithuania	T	16,372,610	75,138	21,415,233	86,689	23,476,981	92,259
Romania	T	16,739,366	83,585	23,915,901	112,145	21,343,280	82,219
France	T	16,787,520	64,399	25,203,805	86,553	18,668,520	61,859
Russia	T	1,432,815	6,726	4,924,663	20,528	12,579,437	55,434
Czech Republic	T	8,030,402	33,422	8,261,339	30,803	10,361,785	39,361
Slovakia	T	7,153,805	30,424	11,247,198	45,026	10,270,216	37,111
Serbia	T	1,873,536	8,355	14,560,513	58,816	10,158,601	42,103
Ukraine	T	2,633,555	13,415	8,781,877	41,846	8,811,146	39,515
Bulgaria	T	119,056	433	2,074,948	8,776	6,243,900	28,745
Latvia	T	910,227	4,129	9,876,314	36,659	5,838,078	21,307
Estonia	T	15,585	66	4,999,858	18,320	4,428,696	17,937
Egypt	T	2,483,513	12,444	3,596,738	17,113	4,419,517	20,814

Source: GTA

Table 3: Italy's Leading Wood Pellets Exports

Partner Country	Unit	2012		2013		2014	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	1,754,976	2,559	3,240,033	6,360	4,172,451	8,271
Spain	T	29,310	53	255,305	906	635,191	1,560
Austria	T	61,470	250	329,187	1,058	578,291	1,891
Bulgaria	T	178,290	59	252,700	106	473,019	524
Slovenia	T	254,941	1,184	441,914	1,631	422,557	1,720
Brazil	T	274,468	26	457,562	44	359,936	35
France	T	83,615	207	159,410	353	254,407	630
Switzerland	T	128,548	416	273,019	783	239,802	608
Malta	T	6,333	19	5,111	15	209,889	231
Korea, South	T	86,729	8	156,208	6	192,570	7

Latvia	T	307	0	289	0	144,570	443
Pakistan	T	0	0	3,027	0	107,937	8
Indonesia	T	91,602	9	60,866	6	93,336	9
Germany	T	12,598	15	18,278	12	92,027	181
Ukraine	T	0	0	0	0	78,284	3
Romania	T	5,339	14	432,395	1,168	62,273	130
South Africa	T	0	0	51,234	1	51,105	1
India	T	298,216	30	125,896	15	34,490	3
Belgium	T	3,738	4	10,015	18	25,215	67
Croatia	T	13,658	72	17,003	65	22,913	63
Greece	T	11,511	23	16,718	28	15,644	26

Source: GTA

Support Schemes

The Italian government has tax deductions in place to encourage buying pellet stoves and a scheme to support small-scale efficiency improvements using ENplus certified biomass. For more information, please see: http://www.lsta.it/files/events/2014-05-12_13_AEBIOM%20konf/2014-05-13_pranesimai/Parallel%202/11_2014-05-13_Bruxelles_Paniz.pdf

Abbreviations used in this report:

MMT = Million metric tons

AIEL = Italian Association of Wood Energy Chain

HS Code

Wood Pellets: 440131